

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Elk River Post Office
Elk River, Idaho

Docket No. A2012-99

ORDER AFFIRMING DETERMINATION

(Issued April 11, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On December 20, 2011, Dawn Tillson (Petitioner) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Elk River, Idaho post office (Elk River post office).² The Final Determination to close the Elk River post office is affirmed.³

II. PROCEDURAL HISTORY

On January 5, 2012, the Commission established Docket No. A2012-99 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.⁴

On January 4, 2012, the Postal Service filed the Administrative Record with the Commission.⁵ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁶

² Petition for Review received from Dawn Tillson regarding the Elk River, Idaho post office 83827, December 20, 2011 (Petition).

³ The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

⁴ Order No. 1100, Notice and Order Accepting Appeal and Establishing Procedural Schedule, January 5, 2012.

⁵ The Administrative Record is attached to the United States Postal Service Notice of Filing, January 4, 2012 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Elk River, ID Post Office and Establish Service by Highway Contract Route Service (Final Determination).

⁶ United States Postal Service Comments Regarding Appeal, February 13, 2012 (Postal Service Comments).

Petitioner filed a letter and participant statement supporting her Petition.⁷ On February 27, 2012, the Public Representative filed reply comments.⁸

III. BACKGROUND

The Elk River post office provides retail postal services and service to 92 post office box customers. Final Determination at 2. One delivery customer is served through this post office. The Elk River post office, an EAS-55 level facility, provides retail service from 8:00 a.m. to 12:00 p.m. and 12:30 p.m. to 3:30 p.m., Monday through Friday, and is closed on Saturday. Lobby access hours are 24 hours, Monday through Saturday. *Id.*

The postmaster position became vacant on July 23, 2008 when the Elk River postmaster passed away. A non-career officer-in-charge (OIC) was installed to operate the post office. *Id.* at 6. Retail transactions average 14 transactions daily (18 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$10,828 in FY 2008; \$10,187 in FY 2009; and \$9,964 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$26,404 annually. *Id.* at 6.

After the closure, retail services will be provided by the Deary post office located approximately 27 miles away.⁹ *Id.* at 2. Delivery service will be provided by highway contract route service to cluster box units (CBUs) through the Deary post office. The Deary post office is an EAS-11 level post office, with retail hours of 7:45 a.m. to 12:00 p.m. and 12:45 p.m. to 4:15 p.m., Monday through Friday and 9:30 a.m. to

⁷ Letter received from Dawn Tillson regarding the Elk River, Idaho post office 83827, December 21, 2011 (Letter); Participant Statement received from Dawn Wilson, January 23, 2012 (Participant Statement).

⁸ Public Representative's Reply Comments, February 27, 2012 (PR Reply Comments).

⁹ MapQuest estimates the driving distance between the Elk River and Deary post offices to be approximately 27.4 miles (44 minutes driving time).

10:30 a.m. on Saturday. Eight (8) post office boxes are available.¹⁰ The Postal Service will continue to use the Elk River name. *Id.*

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the Elk River post office. Petitioner contends that the closure will be a hardship for senior citizens, and many members of the community will face difficulties with the added travel to the Deary post office. Petition at 1; Letter at 1; Participant Statement at 1. In addition, Petitioner expresses concern about the inability to receive postal services in inclement weather. Petition at 1. Lastly, Petitioner has put forth alternatives to the closure of the Elk River post office. Letter at 2.

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Elk River post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Elk River community; and (3) the economic savings expected to result from discontinuing the Elk River post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Elk River post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the Elk River post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of carrier delivery and retail service);

¹⁰ The Final Determination states that retail service is also available at the Bovill post office located 17 miles away. *Id.* The Postal Service's decision to close the Bovill post office has also been appealed to the Commission. Docket No. A2012-109, Notice and Order Accepting Appeal and Establishing Procedural Schedule, January 19, 2012 (Order No. 1148).

- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 5. The Postal Service contends that it will continue to provide regular and effective postal services to the Elk River community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, the effect on the Elk River community, economic savings, and the effect on postal employees. *Id.* at 5-10.

Public Representative. The Public Representative concludes that it is in the best interest of the Elk River community for the Postal Service to clarify several points in the Administrative Record. PR Reply Comments at 11. She raises issues related to economic savings, effective and regular service, and the delayed posting of the Final Determination at the Deary and Bovill post offices. *Id.* at 5-10.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the

Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On June 6, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Elk River post office. Final Determination at 2. A total of 102 questionnaires were distributed to delivery customers. Other questionnaires were made available at the retail counter. A total of 49 questionnaires were returned. On June 30, 2011, the Postal Service held a community meeting at the Andre Bloom Community Center to address customer concerns. Forty-five (45) customers attended. *Id.*

The Postal Service posted the proposal to close the Elk River post office with an invitation for comments at the Elk River, Bovill, and Deary post offices from July 13, 2011 through September 13, 2011. *Id.* The Final Determination was posted at the Elk River post office on November 23, 2011 and will remain posted because of this appeal. Administrative Record, Memorandum to the Record at .pdf pages 179-81. The Final Determination was also posted at the Bovill and Deary post offices from January 4, 2012 through March 5, 2012. *Id.*

The Public Representative asserts that the delayed posting of the Final Determination at the Bovill and Deary post offices negatively affects the interests of the

general public. PR Reply Comments at 10-11. However, the Public Representative does not indicate the nature of the alleged negative effect. In this instance, the posting of the Final Determination at the Elk River post office was sufficient to permit the filing of a timely petition for review. Although the posting of the Final Determination at the Bovill and Deary post offices was delayed, it did not attract any further petitions for review. Even if the delayed postings at the Bovill and Deary post offices were to be considered error, such error can be fairly characterized as harmless.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Elk River, Idaho is an incorporated community located in Clearwater County. Administrative Record, Item No. 47. The community is administered politically by a Mayor and Council. Police protection is provided by the Clearwater County Sheriff. Fire protection is provided by a volunteer fire department. The community is comprised of retirees, loggers, ranchers, tourists, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Elk River community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Elk River post office, customers raised concerns regarding the effect of the closure

on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 5-6.

Petitioner contends that the discontinuance of the Elk River post office will be a hardship on the community. Petition at 1. In particular, Petitioner points to the inconvenience senior citizens will face in obtaining postal services. Letter at 1. Further, Petitioner notes that the Elk River post office has played a vital role in the community, and its loss will have a negative impact on the residents of Elk River. Participant Statement at 1.

The Postal Service explains that the carrier service alleviates the need for customers to travel to the Deary post office for postal and retail services. Postal Service Comments at 8. It asserts that carrier service is also beneficial to senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or CBUs close to customer residences. *Id.* at 6. Lastly, the Postal Service contends that residents may continue to meet informally at other businesses and churches in the community. *Id.* at 8.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Elk River postmaster passed away on July 23, 2008 and that an OIC has operated the Elk River post office since then. Final Determination at 6. It asserts that after the Final Determination is implemented, the temporary OIC may be separated and that no other Postal Service employee will be adversely affected. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Elk River post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Elk River customers. Postal Service Comments at 5. It asserts that customers of the closed Elk River post office may obtain retail services at the Deary post office located 27 miles away. Final

Determination at 2. Delivery service will be provided by highway contract route service to CBUs through the Deary post office. *Id.*

Petitioner expresses concerns regarding the long distance of travel to the nearest post office, especially during the winter months. Participant Statement at 1. The Postal Service explains that for customers choosing not to travel to the Deary post office, retail services will be available from the carrier. Postal Service Comments at 6. It states that carrier service will alleviate the need for customers to travel to the post office for most retail services and will provide them with 24-hour access to their mail. *Id.* It maintains that the carrier is required to provide a vehicle of adequate size with the necessary equipment to deliver mail in inclement weather. *Id.* at 7.

The Public Representative contends that Elk River post office patrons will not receive effective and regular service if the Final Determination is implemented. Citing to the cover letter enclosed with the customer questionnaires, she notes uncertainty over whether Elk River post office box customers will be required to pick up their mail from the Deary post office under a temporary “will call” arrangement after the closure.¹¹

If the Postal Service decides to proceed with a discontinuance investigation, it must develop a questionnaire to obtain additional information and comments.¹² Each questionnaire includes a cover letter “that clearly explains the alternate services under consideration and why the Postal Service is considering a change in service.” Handbook PO-101 § 252.21. The questionnaire cover letter serves as the first formal Postal Service communication with customers that a post office may be discontinued. However, because the questionnaire cover letter is issued early in the discontinuance process, alternate service options are subject to change as the study proceeds and the Postal Service develops a formal proposal to close.

¹¹ PR Reply Comments at 7. The questionnaire letter states, “At first, your Elk River PO Box address will be distributed at the Deary Post Office as ‘will call’.” Administrative Record, Item No. 21 at 2.

¹² *Post Office Discontinuance Guide*, Handbook PO-101 § 243 (August 2004) (Handbook PO-101).

In this case, the Elk River post office questionnaire cover letter stated that current post office box customers must initially pick up their mail at the Deary post office. However, aside from the questionnaire letter, nothing in the Administrative Record indicates that Elk River post office box customers will be required to pick up their mail at the Deary post office. Neither the proposal nor the Final Determination mentions the “will call” arrangement. Based on the record, the Postal Service has abandoned a “will call” arrangement as part of the community’s replacement service.

The Public Representative also notes that Deary is the replacement post office for the Bovill post office, which is also closing. See n.10, *supra*. She contends that the eight post office boxes available at the Deary post office are insufficient to accommodate demand from both Elk River and Bovill post office box customers. PR Reply Comments at 8. The Public Representative also asserts that uncertainty over where the proposed CBUs will be located should be addressed on remand. *Id.*

The Final Determination states that after the closure, delivery and retail services will be provided by highway contract route service to CBUs. Final Determination at 2. The Administrative Record states that 92 additional boxes will be added to the route, which correspond to the 92 post office box customers at the Elk River post office. Administrative Record, Item No. 17. Given that the Postal Service is installing CBUs with 92 additional boxes, Elk River customers will continue to receive effective and regular service via delivery to CBUs.¹³ In any event, the Postal Service should, as the Commission has previously noted, ensure that an adequate number of post office boxes will be available at nearby post offices to meet demand.¹⁴

Finally, the Public Representative argues that Elk River patrons will not receive effective and regular service because the status of a community post office (CPO) is uncertain. PR Comments at 8. She points to several Postal Service responses to

¹³ Uncertainty over CBU locations at the time the Final Determination was issued is not, by itself, a reason for remand under the circumstances presented in this case.

¹⁴ See, e.g., Docket No. A2012-51, Order No. 1226, Order Affirming Determination, February 14, 2012, at 9.

customer concerns in the Final Determination that discuss the possibility of a CPO in the Elk River community. She asserts, however, that the Final Determination does not mention a CPO, and the Postal Service should address its status. PR Comments at 8-10.

In both the Proposal and Final Determination, the Postal Service stated that replacement service will be provided by highway contract service to CBUs through the Deary post office. Administrative Record, Item No. 33 at 2; Final Determination at 2. While the Postal Service may have discussed the possibility of establishing a CPO with Elk River customers, both the Proposal and Final Determination state that Elk River patrons will continue to receive effective and regular service via highway contract route service to CBUs. Whatever consideration was given to the possibility of establishing a CPO, it no longer appears that a CPO is part of the Postal Service's plan for replacement service. If, however, a CPO were ultimately to be established, it would, of course, provide Elk River patrons with another option for obtaining postal services.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$26,404. Final Determination at 6. It derives this figure by summing the following costs: postmaster salary and benefits (\$30,738) and annual lease costs (\$5,760), minus the cost of replacement service (\$10,094). There is a one-time expense of \$8,500 for the movement of the facility. *Id.*

Petitioner has put forth alternatives to the closure of the Elk River, such as reducing the hours of operation, eliminating Saturday service, and implementing half-days. Petition at 2. The Postal Service contends that it has broad experience with similar options, and has determined that highway contract route service to CBUs, coupled with service provided by the Deary post office, is more cost-effective. Postal Service Comments at 9.

The Public Representative raises concerns regarding the calculations of economic savings. PR Reply Comments at 6. She points out that the Postal Service's

estimate of economic savings based upon an EAS-55 level postmaster salary is contradicted by record evidence that the Elk River post office has been downgraded from an EAS-55 level to EAS Grade E. PR Reply Comments at 6 (citing Administrative Record, Item No. 9 at 1). The Public Representative also contends that uncertainty over whether the OIC will be reassigned should be reflected in estimated economic savings by projecting a range of possible savings. Finally, the Public Representative notes that the lease of the Elk River post office does not expire until 2014, and argues that the Postal Service should have reflected the continuing leasehold obligation in some way. *Id.* Since the lease for the Elk River post office will not expire until July 31, 2014, lease cost savings, \$5,760, will not be realized until after that date.

The Elk River post office postmaster passed away on July 23, 2008. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. However, it would appear that the estimated salary and fringe benefits to be eliminated would be those of a postmaster at an EAS Grade E post office. Furthermore, notwithstanding that the Elk River post office has been staffed by an OIC for approximately 3 years, even if a lower OIC or EAS Grade E salary and continuing leasehold obligations were used in the Postal Service's calculation, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Elk River post office is affirmed.¹²

It is ordered:

The Postal Service's determination to close the Elk River, Idaho post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

¹² See footnote 3, *supra*.

DISSENTING OPINION OF CHAIRMAN GOLDWAY

I would remand this Postal Service closure determination because the decision was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; or unsupported by substantial evidence on the Administrative Record.

First, the Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Elk River post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster passed away on July 23, 2008. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only a non-career OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

A non-career OIC has been in place for more than 3 years. Given this extended period of time, and the Postal Service's current financial difficulties, it is clear that the Postal Service has no obligation to maintain a full-time postmaster in small facilities such as Elk River. Upon closure of the facility, the Postal Service may, at most, avoid continuing to pay the OIC level salary.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise

about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

Second, I am also concerned about the distances between the Elk River post office and those that are offered as substitutes. The Postal Service has designated the administrative receiving post office for Elk River postal customers as Deary, Idaho, 27.4 driving miles away. The other post office identified as a substitute in the Administrative Record is Bovill, approximately 17.3 driving miles away. However, the Postal Service has decided to close the Bovill post office. See *generally* Docket No. A2012-109.

Recent legislation has been introduced precluding the closure of a post office in cases where the nearest post office is more than 10 miles away. And the Commission in its recent Advisory Opinion (Docket No. N2011-1) found that using optimization modeling, the Postal Service could make better choices about which post offices to close that would assure adequate access in rural areas.

The designation of the administrative receiving post office can be significant to local postal customers because that will be the location where undeliverable or accountable items are retrieved, where some parcels must be deposited, or certain other “in-person” business is conducted. The Administrative Record does not address with specificity reasonable customer concerns about the large travel distance to the new administrative retail post office. Without a more complete explanation of how removing the applicable retail facility to such a distant point will affect the community, the Postal Service has not satisfied its obligation to consider the effect of such closing or consolidation on the community served by the post office, as required by 39 U.S.C. § 404(d)(2)(A)(i).

Several members of Congress have publicly expressed concern that post offices that are 10 miles apart should be maintained in rural areas. The Postmaster General has expressed interest in finding other ways to serve such distant post offices rather than close them altogether. This closing should be reconsidered within the context of the policies now being developed regarding distant rural post offices.

Third, the Commission has often expressed a concern—and I have consistently expressed the concern—that the maintenance of adequate service requires providing an adequate number of post office boxes in the receiving facility. The Elk River post office provides service to 92 post office box customers, yet the administrative replacement post office in Deary has only 7 post office boxes available. This shortfall is exacerbated by the fact that the Postal Service has decided to close another nearby post office (in Bovill) and has also pointed to Deary as the replacement location for those post office box customers. The Administrative Record provides no assurance that additional post office boxes will be made available for customer use. Thus, the Administrative Record does not show that the Postal Service has sufficiently considered the issues raised by customers concerning the provision of effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Fourth, the Postal Service's Administrative Record provided a distinct lack of clarity regarding arrangements for the provision of service to its customers. As my colleagues note, the cover letter for customer questionnaires suggested that Elk River post office box customers would be required to pick up their mail from the Deary post office under a temporary "will call" arrangement after the closure. A 54-mile round trip to get daily mail does not appear to be on its face the provision of adequate service. There is uncertainty over the planned locations for cluster box units. The Administrative Record suggests that customers were told during the proposal phase that a community post office could be a possibility for the community, yet there is no mention whatsoever of this possibility in the Final Determination.

The Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Elk River, Idaho and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The current lease does not terminate until July 31, 2014, and does not have a 30-day termination clause. Administrative Record, Item No. 18. The Postal Service should note that any savings from the lease will not be realized for over 2 years. In addition, the Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility for nearly 4 years, since July 2008, not an EAS-55 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

The proposed administrative post office, the Deary post office, is located 27 miles from Elk River. The Administrative Record also indicates that retail services are available from an alternate post office, the Bovill post office, approximately 17 miles away from the Elk River post office. Final Determination at 2. However, on December 5, 2011, the Postal Service headquarters approved the decision to close the Bovill post office, which has also been appealed to the Commission. See Docket No. A2012-109. Given that the Bovill post office is being discontinued, Elk River customers requiring services from a retail post office must travel 27 miles to the Deary post office. As I have stated in previous appeals, the Postal Service's discontinuance process should ensure that decisions to close a more proximate alternate post office, *e.g.*, the Bovill post office, are taken into account when considering both the impact on the community and the adequacy of alternate service afforded customers of the post office, *e.g.*, Elk River, being reviewed for discontinuance.

In addition, I note the Public Representative's concerns that current Elk River post office box holders may not receive a maximum degree of regular and effective service because their mail will be distributed at the Deary post office as "will call."

PR Reply Comments at 7. She notes that the questionnaire cover letter indicates that Elk River post office box holders must retrieve their mail at the Deary post office via “will call.” *Id.* See also Administrative Record, Item No. 21 at 2. The remainder of the Administrative Record, which includes the Proposal and Final Determination to close the Elk River post office, fails to indicate when the “will call” arrangement will end. It is important for the Postal Service to ensure that these patrons are provided adequate notice when a decision, such as having to drive 27 miles one way to pick up “will call” mail, will no longer be required.

Lastly, the Final Determination indicates that the Elk River post office has 92 post office box holders. The proposed administrative post office, the Deary post office, has 8 post office boxes available. While the Final Determination indicates that cluster box units will be provided to the patrons of the Elk River post office, the Postal Service should ensure that a sufficient number of post office boxes will be available at the receiving post office to meet the demand, especially in cases when the proposed administrative post office may be adding customers of other post offices that are also being discontinued.¹

I find that the Administrative Record evidence does not support the Postal Service’s decision to discontinue operations at the Elk River post office and should be remanded.

Nanci E. Langley

¹ See Docket No. A2012-109. The Deary post office is the proposed administrative post office for the patrons of the Bovill post office.